

Message Text

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ACTION OES-03

INFO OCT-01 EUR-08 NEA-06 IO-04 ISO-00 ACDA-05 CIAE-00

INR-05 L-02 NSAE-00 NSC-05 RSC-01 FEAE-00 SS-15 PM-03

AEC-05 EB-04 EA-06 /073 W
----- 075444

R 221243Z OCT 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 5794

INFO AMEMBASSY NEW DELHI

AMEMBASSY OTTAWA

USMISSION EC BRUSSELS

USMISSION IAEA VIENNA

C O N F I D E N T I A L SECTION 01 OF 02 BONN 16577

E. O. 11652: GDS

TAGS: TECH, GW, IN

SUBJECT: NUCLEAR-RELATED EXPORTS FROM FRG TO INDIA

REF: (A) STATE 222893 (B) STATE 199563

1. SUMMARY: FRG FOREIGN OFFICE REPS BELIEVE THAT IT WOULD BE ESSENTIALLY IMPOSSIBLE AT THIS TIME TO REQUIRE SAFEGUARDS ON TALCHER HEAVY WATER PLANT BEING SUPPLIED BY GERMAN FIRM TO INDIA. FONOFF HAS NOT YET RECEIVED EXPORT REQUEST FOR ZIRCALOY-4 TUBING MENTIONED REF. A. IN PRINCIPLE, "TRIGGER LIST" ITEMS SUCH AS ZIRCONIUM COULD BE REEXPORTED FROM FRG ONLY FOR REACTOR UNDER IAEA SAFEGUARDS. FONOFF WILL INVESTIGATE AND DISCUSS THIS CASE ASAP. END SUMMARY.

2. EMBASSY S&T COUNSELOR DISCUSSED QUESTIONS RAISED IN REF A WITH DR. RANDERMANN, CHIEF, FOREIGN OFFICE ATOMIC ENERGY OFFICE, AS SOON AS LATTER RETURNED TO BONN. RANDERMANN ACKNOWLEDGED THAT FRG FONOFF WOULD PROBABLY OPPOSE EXPORT PERMISSION FOR A GERMAN HEAVY WATER PLANT TO INDIA, IF THIS QUESTION WERE
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PRESENTED AT THE PRESENT TIME. HE FORESAW NO

POSSIBILITY, HOWEVER, OF DEMANDING SAFEGUARDS ON THE TALCHER PLANT WHICH HAD BEEN APPROVED FOR EXPORT SOME TWO YEARS AGO. IF EXPORT PERMISSION WERE WITHDRAWN NOW, HE FEARED THAT THE FRG WOULD BE LIABLE TO FRIEDRICH UHDE FOR DAMAGES AND THAT SUCH AN ACTION WOULD PROVOKE SERIOUS POLITICAL PROBLEMS WITH INDIA.

3. RANDERMANN REVIEWED WELL-KNOWN FRG ARGUMENTS THAT "TRIGGER LIST" DOES NOT INCLUDE PLANTS FOR PRODUCTION OF HEAVY WATER AND THAT SAFEGUARDS FOR SUCH PLANTS ARE NOT INCLUDED IN IAEA PROCEDURES NOR IN NPT CONCEPTS. RANDERMANN'S PRESENTATION ON THESE POINTS, HOWEVER, WAS FAR LESS FORCEFUL THAN DURING THE CONFRONTATIONS AT THE TIME THE USG FIRST LEARNED ABOUT THE FRG SALE OF THE TALCHER PLANT TO INDIA. (BONN 1053, JANUARY 22, L973) HE SEEMED HONESTLY TROUBLED BY THE DIFFICULTY OF THIS PROBLEM AND ASKED, WITH EVIDENT SINCERITY, FOR USG VIEWS ABOUT THIS AND THE OTHER ASPECTS OF NUCLEAR EXPORT CONTROLS WHICH HE HAD RAISED DURING THE DISCUSSIONS REPORTED REF B.

4. RANDERMANN HAD NO ANSWER TO THE QUESTION POSED AT THE END OF PARA 4, REF A. INDIA NOW HAS A SIGNIFICANT HEAVY WATER PRODUCTION CAPABILITY. HE DOES NOT KNOW HOW THE PRODUCTION FROM ONE SAFEGUARDED PLANT, WERE IT POSSIBLE TO SAFEGUARD ONE, COULD BE KEPT OUT OF INDIA'S UNSAFEGUARDED NUCLEAR REACTORS. THIS DIFFICULTY ILLUSTRATES, HE BELIEVES, THE KEY SAFEGUARDS PROBLEM IN THE INDIAN CASE.

5. EMBOFF SHARED WITH RANDERMANN, ON CONFIDENTIAL BASIS, THE REFTEL DATA ABOUT THE UNION CARBIDE AND WAH/CHANG TELEDYNE REQUESTS FOR EXPORT LICENSES. HE HAD NOT YET RECEIVED A REQUEST FROM VDM ZIRKALOY FOR RE-EXPORT OF ZIRCALOY-4 TUBING TO INDIA AND SPECULATES THAT VDM MIGHT REQUEST FRG RE-EXPORT PERMISSION ONLY AFTER US APPROVED SALE BY WAH CHANG/TELEDYNE. HE WILL INVESTIGATE AND DISCUSS THIS CASE ASAP.

6. IN GENERAL, "TRIGGER LIST" ITEM, I.E. ZIRCONIUM,
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WOULD BE APPROVED FOR RE-EXPORT TO INDIA ONLY IF THE NUCLEAR REACTOR IN WHICH IT WERE TO BE USED WERE UNDER IAEA SAFEGUARDS. IF RAPP 2 WERE SAFEGUARDED ONLY UNTIL 1976, RANDERMANN DID NOT BELIEVE THAT THIS ASSURANCE WOULD BE ADEQUATE. THE FRG HAD NEVER EXPLICITLY CONSIDERED THE CONCEPT THAT A TRANSFER TO A SAFEGUARDED FACILITY WOULD RELEASE EQUIVALENT AMOUNTS OF ZIRCONIUM FOR USE IN UNSAFEGUARDED REACTORS. THIS,

IN RANDERMANN'S VIEW, IS ANOTHER OF THE COMPLEX
QUESTIONS THAT MUST BE RESOLVED IN BILATERAL, AND
EVENTUALLY BY MULTILATERAL, CONSULTATIONS AMONG A
LIMITED NUMBER OF THE KEY SUPPLIER NATIONS.

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C O N F I D E N T I A L SECTION 02 OF 02 BONN 16577

7. RANDERMANN PROMISED TO PROVIDE FURTHER FRG VIEWS
ASAP AND URGED CONTINUATION OF CONFIDENTIAL US-FRG
CONSULTATIONS ON ALL ASPECTS OF NUCLEAR MATERIALS
EXPORT CONTROLS.

8. EMBASSY COMMENT: WE BELIEVE FRG FOREIGN OFFICE IS
SINCERE IN ITS PROFESSED DESIRE TO DEVELOP A
COORDINATED INTERNATIONAL POSITION ON THE CONTROL OF
NUCLEAR EXPORTS. COMMERCIAL INTERESTS AND OTHER FRG
MINISTRIES MAY NOT BE SO FORTHCOMING. THIS WAS
CERTAINLY THE CASE DURING OUR EARLIER DISCUSSIONS OF
SAFEGUARDS ON THIS INDIAN HEAVY WATER PLANT AND ABOUT
THE SALE OF A GERMAN CHEMICAL REPROCESSING PLANT TO

THE REPUBLIC OF CHINA. RANDERMANN HIMSELF BELIEVES
THAT A DECISION BY THE CABINET WILL BE NEEDED TO
DEFINE FRG POLICY. EMBASSY RECOMMENDS THAT USG KEEP
THIS DIALOGUE ACTIVE. WE WOULD APPRECIATE COMMENTS
FROM DEPARTMENT AND OTHER INTERESTED US AGENCIES,
INCLUDING INFORMATION ABOUT THE DECISION TAKEN BY THE
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USG ON THE EXPORT PERMITS REQUESTED BY UNION CARBIDE
AND WAH CHANG/TELEDYNE.
HILLENBRAND

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